Union of Myanmar Investment Commission
Form (2)
Sr. No. 1048
Dated 15.10.96

The Myanmar Investment Commission

PERMIT

Permit No. 219/96 Date 15th OCTOBER 1996

The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law -

(a) Name of Promoter MR. SON HOANG

(b) Citizenship FRENCH

(c) Address 42, RUE BREGUEI, PARIS 11

(d) Name and address of principal organization GUSTON MOLINEL SA
42, RUE BREGUEI, PARIS 11

(e) Place of incorporation
FRANCE

(f) Type of business in which investment is to be made
MANUFACTURING & MARKETING OF GARMENTS

(g) Place (s) at which investment is permitted
HLAINGTHARYAR INDUSTRIAL ZONE, YANGON

(h) Amount of foreign capital US $ 1.37 MILLION

(i) Period for bringing in foreign capital
(12) MONTHS

(j) Total amount of capital (Kyat) EQUIVALENT IN
KYAT OF US $ 1.37 MILLION

(k) Permitted duration of investment (20) YEARS

(l) Name of the economic organization to be formed in Myanmar
MYANMAR GUSTON MOLINEL COMPANY LIMITED

Chairman
The Myanmar Investment Commission

မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

ခွင့် ပြု မိန့်

ခွင့်ပြုမိန့်အမှတ် ၂၁၉/၉၆ ၁၉၉၆ ခုနှစ်၊ အောက်တိုဘာ လ ၁၅ ရက်။

ပြည်ထောင်စုမြန်မာနိုင်ငံတော် နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေပုဒ်မ ၁၀ အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ကမကထပြုသူ၏အမည် MR. SON HOANG

(ခ) မည်သည့်နိုင်ငံသား FRENCH

(ဂ) နေရပ်လိပ်စာ 42, RUE BREGUEI, PARIS 11

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ GUSTON MOLINEL SA
42, RUE BREGUEI, PARIS 11

(င) ဖွဲ့စည်းရာအရပ် FRANCE

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား အသင့်ချုပ်ပြီးအထည်များ ထုတ်လုပ်ခြင်းနှင့်ဖြန့်ဖြူးရောင်းချခြင်းလုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) လှိုင်သာယာစက်မှုဇုံ၊ ရန်ကုန်မြို့

(ဇ) နိုင်ငံခြားမတည်ငွေရင်းအ အမေရိကန်ဒေါ်လာ ၁.၃၇ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ (၁၂) လ

(ည) စုစုပေါင်း မတည်ငွေရင်း ပမာဏ(ကျပ်)အ အမေရိကန်ဒေါ်လာ ၁၁.၃၇ သန်း နှင့်ညီမျှသောမြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့်သက်တမ်း (၂၀) နှစ်

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေးအဖွဲ့အစည်းအမည် MYANMAR GUSTON MOLINEL COMPANY LIMITED

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

Confidential

GOVERNMENT OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
653 / 691, Merchant Street, Yangon.

Our ref : Ya Ka-1/347/96(1048)
Dated : 15 October 1996

Tel : 272009, 272855
Fax : 095-01-282101
Tlx : 21368 INVEST BM

Subject: Decision of the Myanmar Investment Commission on the Proposal for "Manufacturing and Marketing of Garments" under the name of "Myanmar Guston Molinel Co., Ltd.".

Reference: Department of Human Settlement and Housing Development letter No. Aa Ka Ta/111/96(1977) dated 12-9-96.

1. The Myanmar Investment Commission, at its meeting 14/96 held on 20-9-96 had reviewed the proposal for investment in "Manufacturing and Marketing of Garments" under the name of "Myanmar Guston Molinel Co., Ltd." submitted by Guston Molinel SA of France as a wholly foreign owned investment. After careful review, it was deliberated that the proposed project be approved in principle for implementation and the proposal be submitted to the Cabinet meeting for final approval.

2. The Cabinet, at its meeting 33/96 held on 2-10-96 resolved to permit the implementation of the said project. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Union of Myanmar Foreign Investment Law and Chapter VI, Rule 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 20(Twenty) years and extendible for another two 5(Five) year terms upon mutual agreement between the Department of Human Settlement and Housing Development and Myanmar Guston Molinel Co., Ltd. subject to the approval of the Myanmar Investment Commission. At the end of the lease period, Myanmar Guston Molinel Co., Ltd. shall transfer the land to Department of Human Settlement and Housing Development within 3(Three) months in good condition, ground damages having been refilled or repaired.

4. Myanmar Guston Molinel Co., Ltd. shall provide a Performance Bank Guarantee to the amount of 10(Ten) percent of the cost of investment in favour of the Department of Human Settlement and Housing Development within 30(Thirty) days after the signing of the Lease Agreement.

5. The annual rent shall be US $ 3 (United States Dollars Three) per square metre per annum of the project area [1.826 acres (7389.6 square metres)] to the amount of US $ 22169 (United States Dollars Twenty Two Thousand One Hundred and Sixty Nine Only). The rent shall be reviewed every 5(Five) years and the increase of the rent shall not be more than 15(Fifteen) percent of the preceding annual rent.

6. Myanmar Guston Molinel Co., Ltd. shall pay for maintenance of the Industrial Zone as management fee payable as prescribed by the Management Committee of the Industrial Zone.

7. In issuing this "Permit" the Commission has granted the following exemptions and reliefs:

(a) As per Section-21(a), exemption from income-tax up to three consecutive years from the year of commencement of operation.

(b) As per Section-21(b), regarding exemption from income-tax on profits of the business if they are maintained in a reserve fund and re-invested therein within one year after the reserve is made, Myanmar Guston Molinel Co., Ltd. shall apply for such exemption only after 3-year tax holiday period.

(c) As per Section-21(c), Myanmar Guston Molinel Co., Ltd. shall be granted to accelerate depreciation in respect of machinery, equipment, building or other capital assets used in the business to the extent of the original value for the purpose of income-tax assessment. However, Myanmar Guston Molinel Co., Ltd. shall have to apply to the Commission such rates of depreciation.

(d) As per Section-21(d), relief from income-tax up to 50 percent on profits accrued from exports, such relief has to be applied, upon actual performance, following 3-year tax holiday period.

(e) As per Section-21(e), Myanmar Guston Molinel Co., Ltd. shall have the right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.

(f) As per Section-21(f), the Commission has also approved the right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(g) As per Section-21(h), regarding right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, Myanmar Guston Molinel Co., Ltd. shall file the case, if any, to the Ministry of Finance and Revenue in accordance with Section-4 of the Income Tax Amendment Law, 1991.

(h) As per Section-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials

used in the business, which are imported as they are actually required for use during the period of construction.

(i) As per Section-21(j), exemption from customs duty and all other internal taxes on such raw materials and additional import of machinery, equipment and spare parts which are actually required for operation of the business shall be granted within three years of commercial operation following the period of construction. However, such imports shall be subject to the approval endorsed by the Ministry of Construction.

8. Myanmar Guston Molinel Co., Ltd., shall have to sign One Hundred Percent Foreign Investment and Lease Agreement with Department of Human Settlement and Housing Development. After signing such Agreements, (5) copies each of those shall have to be forwarded to the Commission.

9. Myanmar Guston Molinel Co., Ltd., in consultation with the Department of Company Administration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

10. Myanmar Guston Molinel Co., Ltd. shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

11. The official date of operation shall be reported to the Commission.

12. The Commission approves periodical appointments of foreign experts and technicians from abroad as per Proposal.

13. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provision under Section-24 of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner.

(a) The amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened.

(b) The detailed lists of the type and value of foreign capital defined under Section-2(h) of the Law, other than foreign currency, to the Chairman, Foreign Capital Evaluation Sub-Committee.

14. Whenever Myanmar Guston Molinel Co., Ltd. brings in foreign capital defined under Section 2(h) of the Law, other than foreign currency in the manner stated in paragraph 13(b) mentioned above,

the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

15. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure(1)]

16. Myanmar Guston Molinel Co., Ltd. shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over-run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

17. Myanmar Guston Molinel Co., Ltd. shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94 (0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

18. Myanmar Guston Molinel Co., Ltd. shall follow the procedures prescribed by the Commission, vide letter No. Ya Ka-7/408/94 (0424) dated 29-6-94 [Annexure(3)] to expedite the clearance of imports of capital and inter-industry use goods brought in as capital investment and raw materials required during the initial 3-year operation period.

19. Myanmar Guston Molinel Co., Ltd., in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Rule 15 of the Procedures relating to the Union of Myanmar Foreign Investment Law.

By Order,

Brig-Gen Maung Maung
Secretary
(Minister at the Deputy Prime Minister's Office)

Mr. Son Hoang
Guston Molinel SA
c/o Director General
Department of Human Settlement and Housing Development

cc: 1. Office of the Chairman of State Law and Order Restoration Council
2. Office of the State Law and Order Restoration Council

3. Office of the Government of the Union of Myanmar
4. Deputy Prime Minister's Office
5. Ministry of National Planning and Economic Development
6. Ministry of Finance and Revenue
7. Ministry of Cômmerce
8. Ministry of Construction
9. Ministry of Foreign Affairs
10. Ministry of Home Affairs
11. Ministry of Immigration and Population
12. Ministry of Labour
13. Chairman, Committee for Assisting the Myanmar Investment Commission (Governor, Central Bank of Myanmar)
14. Chairman, Foreign Capital Evaluation Sub-Committee (Director General, Central Equipment Statistics and Inspection Department)
15. Director General, Directorate of Investment and Company Administration
16. Director General, Customs Department
17. Director General, Internal Revenue Department
18. Managing Director, Myanma Foreign Trade Bank
19. Managing Director, Myanma Investment and Commercial Bank
20. Managing Director, Myanma Insurance
21. Director General, Directorate of Trade
22. Director General, Immigration and Manpower Department
23. Director General, Directorate of Labour
24. Chairman, Union of Myanmar Chamber of Commerce and Industry